



Executive Summary

2024 LEADERSHIP
CONFERENCE

February 26-28, 2024

For the love of the game...

Thank you for attending
Ardent All-Access!

This year's Leadership Conference was a time for us to come together to focus on the future and celebrate the wins of the past year. With insights shared by inspirational guest speakers, industry experts and members of our board and leadership team, a common theme solidified during our time together: Excellence is intentional and starts with **purpose**.

We were reminded that healthcare is a team sport – requiring each of us to perform at our best regardless of an ever-changing playing field because what we do matters. Making the right call when the pressure is on is no easy task. However, with a focus on preparation, teamwork and execution, we can rise to meet the challenges of the game.

Thank you for taking this time away to huddle, celebrate and refocus. The year ahead promises exciting opportunities and challenges. Anchored by our purpose of caring for our patients, our communities and one another, I know this team is ready to win!



Marty Bonick
President & CEO





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This executive summary recaps the top takeaways shared during Ardent All-Access, including the following presentations:

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Discuss Key Issues



View all the presentations on the Leadership Conference website:
<https://conference.ardenthealthservices.com/2024-ardent-all-access-presentations>

01

Getting Game Ready



> **VIEW PRESENTATION:**

Post-Game Report:
click **HERE**

Sports give us a window into the hearts and minds of the teams and athletes that personify many of the Ardent Way values we hold dear.

1. They inspire us to ... **think big** like Michael Phelps who redefined Olympic greatness by winning 23 gold medals. They remind us to **never settle** like Tom Brady who refused to accept others' assessment of him as a mediocre athlete and instead made himself into one of the greatest quarterbacks of all time. They inspire us to **pursue extraordinary** like Simone Biles who overcame setbacks to become the most decorated gymnast of our time.
2. Sports show us that **teamwork wins** like Team USA's unforgettable victory over the Soviet Union during the 1980 Olympic games. Magic happens when we put team over self and work together to achieve a common goal.
3. While our playing field looks different, the desire to compete, to better ourselves and to win as a team is universal and part of the human experience. What does a win look like for us? How do we take Ardent to the next level?
4. It takes the right game plan, grounded in these five principles:
 - Purpose
 - Preparation
 - Teamwork
 - Vision
 - Execution
5. To succeed takes a focus on the fundamentals and a commitment to process over product. A willingness to put in the work every day, not for the reward it might bring, but for a love of the game. And the higher purpose we find in it.



02

Process over Product with Inky Johnson



> **VIEW PRESENTATION:**

Inky Johnson -
Process Over Product:
click **HERE**

1. Collegiate athlete, author and keynote speaker Inky Johnson shared his personal story of overcoming a life-threatening, career-ending injury with a focus on **gratitude, purpose and action**. Despite setbacks, challenges or things simply not going as expected, keeping a “first-day mindset” focused on purpose is a game-changer.
2. Johnson reminded us that **the game is bigger than just us**. As he shared the words of Dr. Martin Luther King, Jr., “Life’s most persistent and urgent question is, ‘What are you doing to help others?’”
3. How can we be **grateful in the midst of adversity, change or uncertainty**? A concept Johnsons calls “trained optimism” finds the good from a less than ideal situation. When adversity, change and uncertainty are present, Johnson adds, “we don’t rise to the challenge, we revert back to our training.”
4. That training is founded on a daily practice of intention and purpose. It propels us into action. As Johnson added, “**talk is cheap, action is expensive**. It costs something to take action.”
5. In closing, Johnson asked us to consider what drives our decision making, “Purpose. Never allow life to make us forget **why we do what we do.**”



03

Industry Rundown with Ford Koles



> **VIEW PRESENTATION:**

Ford Koles -
Industry Rundown:
click **HERE**

Healthcare economist Ford Koles with the Advisory Board returned with his take on the field conditions for the year ahead. His clear message, “Big changes have always impacted our industry. Those who can **adapt the quickest win.**”

- 1. During the pandemic, Americans delayed preventative screenings and we are seeing that impact now.** As a result, there has been a 19% increase in adverse events, 38% increase in maternal mortality and 73% of adults believe healthcare is not meeting their needs.
- 2. The payor mix is changing,** and healthcare must change with it. Medicaid disenrollment is climbing. When people lost commercial insurance during COVID, they moved to Managed Medicaid. Medicaid and Medicare Advantage have been outsourced to large, private insurance companies. It’s a game of giants and big players are more difficult to negotiate with. “The government is not a great payor,” Koles warned.
- 3. The Consolidated Appropriation Act of 2021 upped the beneficiary responsibility of the employer. Employers are getting more involved in benefits** due to risk of litigation. Center of Excellence programs and advanced primary care approaches simplify the choices and branding matters.
- 4. Three themes will impact the future of healthcare:**
 - Healthcare companies that create **an ecosystem of care** will win. Retail players like CVS, Walgreens and Wal-Mart all have a pharmacy, convenient care and primary care providers. They’re employing physicians to attract new patient visits while cross-selling to compete with Amazon. Other players are creating



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Industry Rundown with Ford Koles

Advanced Primary Care strategies to negotiate directly with employers or capturing the senior care market by selling Medical Advantage plans, managing the drugs and owning the primary care providers while exploring medical home services. What is our view of the ecosystem players in our markets?

- The **social contract with labor** is being rebuilt after COVID. Nurse turnover has improved, but people have different expectations from their employer than five to ten years ago. Those who figure it out faster will win. Artificial intelligence (AI) is needed to address fewer people entering the labor market. Successful providers will find opportunities for AI to support nurse managers and frontline staff, reducing the administrative burden and improving their experience.
- The **clinical frontier is largely pharmacological**. Surgical and inpatient volume will remain, but the greatest opportunity is drugs. An estimated 41% of Americans - 142 million people - are clinically obese. Most payors don't pay for surgical interventions, which on average cost \$13,600. This is not sustainable. Meanwhile, cell gene therapies treat about 1 million people, but are catastrophically expensive. Covering the costs requires creativity. If we made significant inroads on diabetes, Alzheimer's disease and obesity, this is a different country.



04

Boardroom Blitz



> **VIEW PRESENTATION:**

Boardroom Blitz:
Strategies for a
Winning Company:
click **HERE**

Ardent Board Members Mark Sotir, Peter Bynoe, Rob Webb and Ellen Havdala discussed Ardent's future and the board's role in positioning the company for success.

1. Ardent's Board of Directors play an active role in supporting the executive team. **It starts with people.** "To have the heart to deal with the complexity and change we face requires a focus on people and culture," shared Board Chair Mark Sotir. "We must have the right people focused and scoped in the right roles," added Havdala.
2. Navigating a changing business model can be difficult without a secure foundation and shared willingness to try new things. "There is a complementary nature of standardizing externally while disrupting internally," added Bynoe. "As you look at mergers and acquisitions that have succeeded and those which failed, **culture trumps strategy** every time."
3. Seeing healthcare through a consumer lens is essential to fully supporting their journey. As Webb added, "we need to know how to **engage patients** and not lose them. It's not billboards. To increase margins and have a bigger role in patients' lives, the moves we're making today are the right ones to maintain those relationships. We're the epicenter of care in our communities and that should be expanded. We need to understand how consumers interact with us, predict it and to help them deal with it horizontally requires technology and data."

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Boardroom Blitz

- 4.** To adapt, we must be able to move quickly. “Standardization will drive our ability to do that,” said Sotir. “There may be 90 different ways to do something, but **there’s a better way for most things** to be done.”
- 5.** Success lies in finding the balance between short-term profitability and long-term strategy. “Any good team can manage the short-term,” Sotir said. “Tech teams can lose billions for a decade and hit the longer-term target. **We have to do both.**”



05

CyberCenter Post-Game Analysis



> VIEW PRESENTATION:

Steve Petrovich and
Steve Hinkle -
CyberCenter:
Post-Game Analysis:
click [HERE](#)

Ardent's Chief Legal Officer Steve Petrovich and Chief Compliance Officer Steve Hinkle provided a behind-the-scenes analysis of the cybersecurity event with play-by-play commentary from Chief Digital Information Officer Anika Gardenhire.

1. From the initial attack to the largest ever Epic go-live, the Ardent IT team moved quickly to contain the ransomware attack that was discovered on Thanksgiving Day. It all began October 25 with a search engine optimization poisoning event that led a user to a corrupt site, **allowing an access point into Ardent's IT environment.**
2. Both the government and Ardent's IT security team noticed unusual network activity on November 20. Ardent's IT security team and third-party vendors **respond to identify, contain and expunge the threat.** By the time the first message confirming the cybersecurity attack appeared on a PACS monitor in Albuquerque November 23, it had spread across our domains.
3. Hospitals went on divert as the decision was made to **take all systems offline** and implement downtime procedures. While caregivers reverted to paper processes, the IT team escalated efforts to contain the malware from replicating.
4. Once offline and with the malware threats contained, **restoration work began** on November 25. Engineers rebuilt domain controllers and servers, restored applications and isolated corrupted end points. New anti-virus software was deployed along with an enterprise password reset to all devices, systems and user accounts.

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CyberCenter Post-Game Analysis

5. Core systems were brought back online within 12 days, an **unprecedented, coordinated effort** resulting in the largest Epic go-live ever. The full restoration included more than 6,000 servers, 400 applications and 180 domain controllers. Ardent team members proved resourceful, resilient and ready when the unthinkable happened.



06

The Right Call with Sally Jenkins

Best-selling author and celebrated sports columnist Sally Jenkins shared insights on the inner-workings of the greatest athletes and coaches of all time and highlighted the lessons that leaders can apply to their own lives.

1. Champions bring their best under pressure through a series of micro-decisions. It starts with **purposeful conditioning** to execute flawlessly - the ability to sort through dynamic and specific factors to make a **commitment to action**.
2. Conditioning makes the messaging system between the body and the brain more efficient and leads to better execution. Caitlin Clark takes 300 shots every day and makes 78%. Steph Curry shoots 3,000 shots a week and has the record to prove it. Magnus Carlsen maintains peak physical performance, burning up to 6,000 calories during a chess match. There is a **direct relationship between physical condition and cognitive judgement**.
3. Pressure enacts the body's fight or flight response, creating an unconscious incompetence that athletes know well. **Deliberate practice to stress a weakness improves performance under pressure.** Payton Manning reviewed every interception from his first three years in the NFL, as well as the passes that should have been intercepted, and discovered shaky footwork was to blame. Instead of working around a weakness, he designed drills to address it.

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The Right Call with Sally Jenkins

- 4. Failure is critical to winning.** Roger Federer only won 52% of the points played. Tiger Woods only won 22% of the tournaments he entered. Legendary women's basketball coach Pat Summit won a record eight national championships, yet she went home a loser 30 of the 38 seasons she coached. Champions build an incredible amount of resilience before they win.
- 5. Preparation is a huge part of the game.** Champions aren't born... they are made. We can all develop an athletic heart to find our way to more important and better judgements under pressure. Practice beats talent when talent doesn't practice.



07

Ardent's State of the Union



> **VIEW PRESENTATION:**

Marty Bonick -
The Big Story:
click **HERE**

Delivering Ardent's State of the Union, Ardent President and CEO Marty Bonick shared the strategic priorities for the year ahead.

1. Every great team has a story - what makes them "them." The most successful teams share a **winning formula**: a love of the game, a commitment to consistent improvement and a culture of team over self. As leaders and coaches, we all play a role in sharing this story and setting the tone for our organizations.
2. 2023 was a year of **building momentum**. We touched more than 15,000 lives a day with impressive results: 95% of eligible hospitals earned an A or B Leapfrog Patient Safety Grade, turnover improved 390 basis points, NPS scores jumped 260 basis points, we retained our Epic 9 gold stars and achieved \$94 million in GOHIO savings to date. We also built on the success of existing partnerships and entered new ones.
3. There is **ample room for growth** with \$37.8 billion addressable healthcare spending opportunity in our existing markets. We're focused on making the plays that will be the difference makers: building our ambulatory presence, creating alignment with providers, and adopting technologies to support the delivery of care in the right setting and reduce burnout.
4. **Healthcare is changing**. 10% of the care we deliver is inpatient; 90% is outside the four walls of our hospitals. With a continued focus on margin improvement and market share growth, we're expanding sites of care, partnering where it makes sense and improving the experience for patients and caregivers. While hospitals will remain core to our business, we're building an ecosystem of care around the consumer to meet more of their needs across their unique health journeys.



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Ardent's State of the Union

5. Our providers are essential to our ability to drive growth and deliver strong clinical outcomes across a variety of settings. Ardent's physician services team supports more than 1,700 aligned providers, which will be a **key differentiator** as we deliver on growing value-based initiatives, including a variety of quality incentives, shared savings and upside risk incentives across all markets.
6. We're focused on **making healthcare easier** – to access, use and experience. To succeed in this competitive landscape, we're optimizing our core business, finding new sources for growth, and organizing around the consumer and payor models. These are our **2024 priorities**:

2024 priorities

Margin Improvement

| REVENUE | EXPENSES | OPTIMIZATION |
|--|--|---|
| <ul style="list-style-type: none">• Supplemental Payments• Revenue Cycle Enhancements• Managed Care Increases• VBC Contract Revenue Capture• Underpayments | <ul style="list-style-type: none">• Labor/Productivity Enhancement• Overhead Optimization• Employee Benefits Redesign• Supplies/Inventory Management• Purchased Services | <ul style="list-style-type: none">• Service Lines: Rationalization, Growth• Capacity/Throughput• Transfer Centers: Standardization, Volume Growth |

Market Share

| HOSPITAL OPS | HEALTH SERVICES & PHYSICIAN SERVICES | CONSUMER GROWTH | ACCESS POINTS & FACILITY EXPANSION |
|--|--|---|--|
| <ul style="list-style-type: none">• Strategic Plan/Execution | <ul style="list-style-type: none">• Segmentation of Business• Optimize Access• Update Comp Model | <ul style="list-style-type: none">• Consumer Engagement• Provider Engagement | <ul style="list-style-type: none">• Expand Ambulatory Footprint• New Market Expansion |

08

Around the Horn



> **VIEW PRESENTATION:**

Around the Horn:
Hot Topics and Hot Takes:
click **HERE**

Moderated by Ardent Chief Medical Officer FJ Campbell, MD, leaders across the company brought market-level perspectives on the shifting industry landscape in “Around the Horn.” Value-based care is an opportunity. How are we going to deliver on this and preserve our core business (hospitals)? How will this impact our physicians?

1. Lone Star Region President Donald Baker said, “The message is clear that payors are going for the fee-for-service dollars. There are opportunities with the physician group to be a **trusted health broker.**” As the payor model shifts, “keep the main thing the main thing - taking care of patients. Our consumerism strategy puts us in a great position.”
2. Oklahoma Heart Institute and Utica Park Clinic CEO Jim Kaltenbacher added that with Medicare Advantage membership increasing, “we put our money where our mouth is,” leveraging incentives to drive more preventative health screenings and meet Annual Wellness Visit targets. “We changed our physician compensation model from a volume-based model to a value-based care model. **Incentives changed the game** for us.”
3. Hackensack Meridian Mountainside Medical Center CEO Tim O’Brien said insurance companies are deliberate in their outreach to move services outside of the hospital setting. “It’s not uncommon for a patient to schedule a MRI with our radiology department, but the insurance company is simultaneously calling them with several options outside the hospital with lower patient responsibility. Some of our gastroenterologists are receiving letters that they need to get credentialed at an ASC to get reimbursed. **Growing in the ambulatory space and having a primary care strategy** is critical.”



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Around the Horn

4. Ardent Chief Strategy and Development Officer Ben Jacobs gave greater context to creating loyalty when consumers have more choices. “Consumerism is the awareness that people have choices,” he said. “People want high quality, low cost, ease and convenience and compassion. If we **lead with compassion**, we’ll have patient loyalty.”
5. The main takeaway? “People first, always,” said Baker. “Teams win. Hire the right people.”

“It’s all about people,” echoed O’Brien. “To reconnect with fellow leaders gives me the confidence and reassurance that we’re moving in the right direction.”

“Barry Switzer always said, ‘go recruit players,’” said Kaltenbacher. “Getting the right physicians who understand the direction can help us. As services migrate to outpatient, can the infrastructure handle that? We need more access.”

“Strategy, people and execution,” said Jacobs. “We have the strategy. We have the right people. Now we need to execute.”





Thank you for
attending
Ardent All-Access!